

TMBTHANACHART BANK

THAILAND / BANKS

TTB TB

BUY

UNCHANGED

2Q22 earnings beat from lower ECL

- 2Q22 NP of THB3.4b beat BBG and our forecasts on lower ECL.
- Expect 3Q22 NP to increase y-y but decline q-q.
- Maintain BUY with a 2023 GGM-based TP of THB1.4.

TARGET PRICE	THB1.40
CLOSE	THB1.18
UP/DOWNSIDE	+18.6%
PRIOR TP	THB1.40
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-4.8%

Soft top line cushioned by lower ECL

TTB reported a strong 2Q22 net profit of THB3,438m (+36% y-y, +8% q-q), which was 12% higher than the Bloomberg consensus estimate and our forecast thanks to a lower expected credit loss (ECL) due to lower NPLs at 2% q-q and a sufficient provision cushion. Its coverage ratio was relatively stable at 133%. As for its top line, we saw a slight improvement with operating income down 1% y-y but up 1% q-q, which in our view indicates softness. 2Q22 loan volume increased by 1.9% q-q, while its NIM fell to 2.81% due to parking excess liquidity in low-return investments. Fee income increased 9% y-y and 7% q-q from bancassurance fees. Regarding OPEX, it remains in a rising trend from digital investment and the expansion of TTB's retail business unit.

Neutral view from analyst meeting

We came away from TTB's post-results meeting with a neutral view. TTB plans to retain its 2022 financial targets, reiterating that OPEX would continue rising in 2H22 from digital investments. TTB stated that its NIM might be hurt in the short term as it has proactively locked in funding before the expected rate hikes. Currently, TTB parks its excess liquidity in short-term, low-yield investments. But if rates rise as it expects, the bank believes its NIM should be wider as 70% of its loans should be repriced within one year. TTB's credit cost was at 135 bps in 1H22 due to effective asset quality control, but the bank maintains a cautious view due to high household debts and high inflation. Hence, it plans to maintain its 2022 credit cost target of 140-160 bps.

Expect 3Q22 earnings to improve y-y but decline q-q

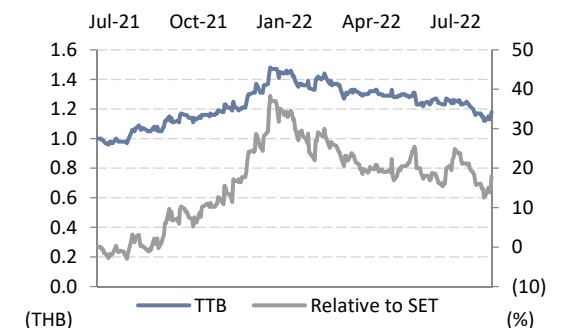
We think TTB's net profit in 3Q22 should decline q-q (but still surge y-y from the low base) due to 1) an increase in its OPEX; and 2) an elevated provision as we expect that the debt repayment ability of TTB's clients could be reduced due to the highly inflationary environment and its high concentration in the SME and retail segments – 66% of its total portfolio.

Maintain our BUY call with a 2023 GGM-based TP of THB1.4

We have a less bullish view on TTB due to the expected net negative impacts from potential rate hikes, high inflation, and its slow revenue synergy benefits. But due to its undemanding valuation (0.5x 2023E P/BV and 6.3% 2023E ROE) and impressive net profit growth at 14% CAGR in 2022-24E, we maintain our BUY call.

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Operating profit	12,458	14,968	16,760	18,513
Net profit	10,474	12,563	14,082	15,538
EPS (THB)	0.11	0.13	0.15	0.16
vs Consensus (%)	-	4.0	1.4	(3.6)
Core net profit	10,474	12,563	14,082	15,538
Core EPS (THB)	0.11	0.13	0.15	0.16
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	3.3	20.3	12.1	10.3
Core P/E (x)	10.9	9.1	8.1	7.3
Dividend yield (%)	3.2	5.0	5.6	6.1
Price/book (x)	0.5	0.5	0.5	0.5
ROE (%)	5.0	5.8	6.3	6.7
ROA (%)	0.6	0.7	0.8	0.8



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(6.3)	(8.5)	19.2
Relative to country (%)	(4.6)	0.0	18.8
Mkt cap (USD m)	3,092		
3m avg. daily turnover (USD m)	10.1		
Free float (%)	39		
Major shareholder	ING Bank N.V. (23%)		
12m high/low (THB)	1.50/0.95		
Issued shares (m)	43,852		

Sources: Bloomberg consensus; FSSIA estimates


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Investment thesis

We have a less bullish view on TTB due to the expected net negative impacts from potential rate hikes, high inflation, and its slow revenue synergy benefits. But due to its undemanding valuation (0.5x 2023E P/BV and 6.3% 2023E ROE) and impressive net profit growth at 14% CAGR in 2022-24E, we maintain our BUY call.

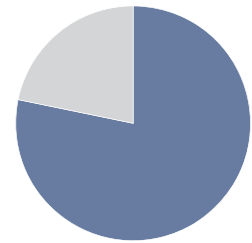
Company profile

TMBThanachart Bank Public Company Limited provides a full range of banking and financial services. The bank offers corporate and personal lending, retail and wholesale banking, international trade financing, and investment banking services to its customers throughout Thailand. It merged with Thanachart Bank at the end of 2019. The entire business transfer (EBT) process was completed in Jul-21.

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Principal activities (revenue, 2021)

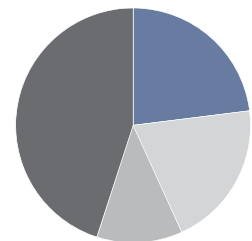
- Net interest income - 78.2 %
- Non-interest income - 21.8 %



Source: TMBThanachart Bank

Major shareholders

- ING Bank N.V. - 23.0 %
- TCAP - 20.2 %
- Ministry of finance - 11.8 %
- Others - 45.0 %



Source: TMBThanachart Bank

Catalysts

Potential share price catalysts for TTB include:

- Lower credit cost from better-than-expected new NPLs;
- Better operating cost control;
- Revenue synergies starting to kick in.

Risks to our call

Downside risks to our GGM-based TP are 1) prolonged economic sluggishness affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand.

Event calendar

Date	Event
Mid-October 2022	3Q22 results announcement

Key assumptions

	2022E	2023E	2024E
	(%)	(%)	(%)
Net profit (THB m)	12,563	14,082	15,538
Net profit growth	19.9	12.1	10.3
NIM	2.97	2.97	3.01
Loan growth	2.0	3.0	2.5
Fee growth	3.5	8.0	10.0
Non-NII growth*	7.5	7.5	8.8
Credit cost (bp)	152	152	150
Cost to income*	45.7	44.3	44.1

*Including share of profits from associates

Source: FSSIA estimates

Earnings sensitivity

		----- 2022E -----		
Loan growth	±2ppt	-	2.0	4.0
<i>% change in net profit</i>		(2.0)	-	2.0
NIM (%)	±5bp	2.92	2.97	3.02
<i>% change in net profit</i>		(2.4)	-	2.4
Credit cost (bp)	±10bp	142	152	162
<i>% change in net profit</i>		7.0	-	(7.0)

Source: FSSIA estimates

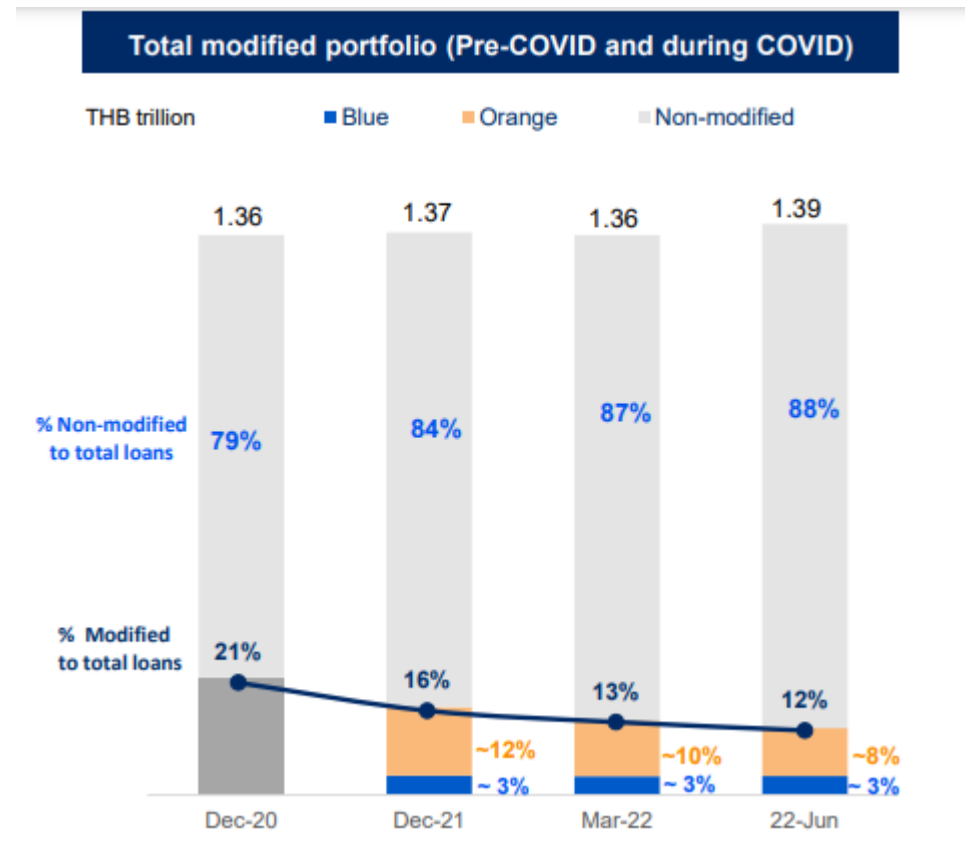
Soft top line cushioned by lower ECL

TTB reported a 2Q22 net profit of THB3,438m (+36% y-y, +8% q-q), which was 12% higher than the Bloomberg consensus estimate and our forecast thanks to a lower ECL. Its 1H22 net profit accounts for 53% of our 2022 net profit forecast. The strong 2Q22 net profit was driven mainly by a drop in its ECL due to lower NPLs at 2% q-q and a sufficient provision cushion. Its coverage ratio was relatively stable at 133%. As for its top line, we saw a slight improvement with operating income down 1% y-y but up 1% q-q, which in our view still leaves it in soft territory. Loan volume increased by 1.9% q-q, driven mainly by the retail and corporate segments, while its NIM fell slightly to 2.81% due to TTB parking excess liquidity in low-return investments. Fee income increased 9% y-y and 7% q-q from bancassurance fees. OPEX remains in a rising trend with a 4% q-q increase in 2Q22 as TTB expands its retail business unit, called TTB Consumer, and the bank continues its digital investment phase.

2Q22 key highlights

- Total loan volume increased by 1.9% q-q (+2.5% y-y) from an increase in hire purchase, housing loans, unsecured loans, short-term government loans, and trade finance loans.
- NIM fell slightly to 2.81% from 2.86% in 1Q22 due to parking excess liquidity in low-return investments.
- Non-NII rose by 5% y-y and 3% q-q due to higher bancassurance fees. The strong bancassurance business was able to offer lower mutual fund fees as a result of the unfavourable capital market environment.
- Loans under the forbearance program accounted for 12% of total loans, down from 13% in 1Q22, of which 8% were in the orange scheme and 3% were blue scheme.
- Its 2Q22 coverage ratio remained relatively stable at 133%.

Exhibit 1: Total modified loan portfolio



Source: TTB

Exhibit 2: TTB – 2Q22 results review

Year-end Dec 31	2Q21	1Q22	2Q22	----- Change -----		----- 1H22E -----			2022E	Change	Comments
	(THB m)	(THB m)	(THB m)	(y-y%)	(q-q%)	(THB m)	(y-y %)	%22E	(THB m)	(y-y %)	
Net interest income	12,782	12,409	12,414	(3)	0	24,823	(3)	48	51,442	1	
Non-interest income	3,309	3,365	3,475	5	3	6,840	(10)	44	15,632	8	
Operating income	16,091	15,774	15,889	(1)	1	31,663	(5)	47	67,074	2	
Operating expenses	7,593	6,987	7,262	(4)	4	14,249	(10)	46	30,658	(2)	
PPOP before tax	8,498	8,787	8,627	2	(2)	17,414	0	48	36,416	6	
Provision	5,491	4,808	4,382	(20)	(9)	9,190	(16)	44	21,068	(2)	
Income tax	472	784	807	71	3	1,591	41	57	2,781	20	
Minority interest	1	(0)	0			(0)		(0)	4	44	
Normalised profit	2,534	3,195	3,438	36	8	6,633	25	53	12,563	20	
Extraordinary items	0	0	0			0			0		
Net profit	2,534	3,195	3,438	36	8	6,633	25	53	12,563	20	Beat BBG consensus by 12%
EPS (THB)	0.03	0.03	0.04	35	8	0.07	25	53	0.13	20	
Asset quality ratio											
Gross NPLs	43,543	42,144	41,331	(5)	(2)				46,333	10	
NPL ratios (%)	2.89	2.73	2.63						3.03		
LLR/NPLs (%)	125	132	133						127		
Credit cost (bp)	160	141	127						152		
Profitability ratio											
	(%)	(%)	(%)						(%)		
Cost to income ratio	47.2	44.3	45.7						45.7		
Average yield (%)	3.72	3.61	3.60						3.7		
Cost of fund (%)	0.87	0.87	0.90						0.9		
Net interest margin (NIM)	2.96	2.86	2.81						3.0		
Non-int inc/total income	20.6	21.3	21.9						23.3		
Liquidity ratio											
	(%)	(%)	(%)						(%)		
Loan to deposit ratio	102.6	100.4	99.8						103.1		
Loan growth											
	(%)	(%)	(%)						(%)		
y-y	(1.7)	(1.0)	2.5						2.0		
q-q	(1.6)	(0.4)	1.9								

*Including share of profits from associates

Source: TTB; FSSIA estimates

Neutral view from analyst meeting

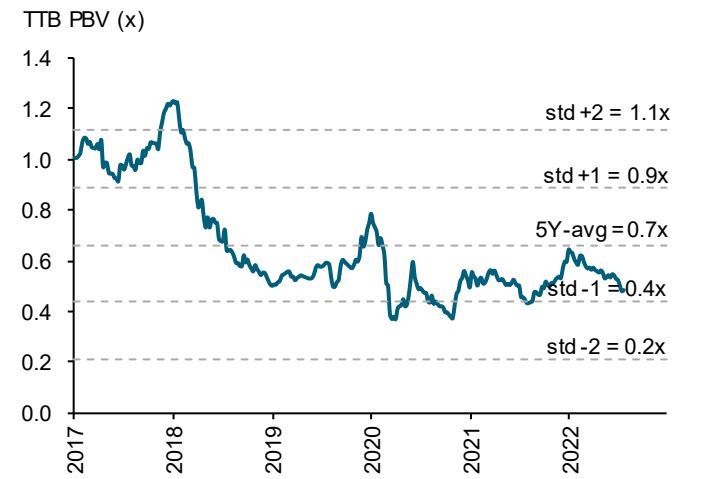
We came away from TTB's post-results meeting with a neutral view. TTB plans to retain its 2022 financial targets and reiterated that its OPEX would continue rising in 2H22 due to digital investments, with cost to income in 2022 at c45-47%. TTB stated that its NIM might be hurt in the short term as it has proactively locked in funding before the expected rate hikes. Currently, TTB parks its excess liquidity in short-term, low-yield investments. But if rates rise, the bank believes its NIM should widen, as 70% of its loans could be repriced within one year. Its credit cost, which was at 135 bps in 1H22, was better than its target of 140-160 bps due to effective asset quality control. However, the bank maintains a cautious view on its credit cost due to high household debt and inflation. A potentially lower NIM might be offset by a lower credit cost, in our view.

Exhibit 3: 2022 financial targets

	----- 2022E -----		1H22 Actual
	TTB	FSSIA	
Loan growth (y-y%)	2	2.0	1.6 YTD
NIM	2.97	2.97	2.87
Non-NII/total asset	0.8-0.9	0.88	0.79
Cost to income ratio	45-47	45.7	45
Reported NPL ratio	3.2	3.03	2.63
Credit cost (bps)	140-160	152	135

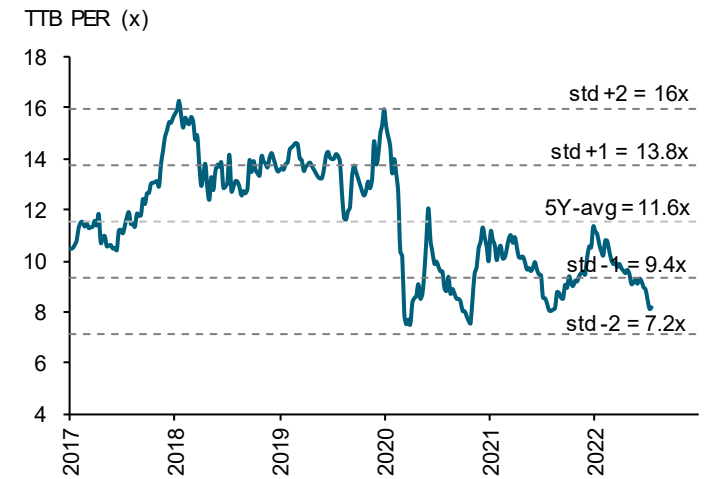
Sources: TTB; FSSIA estimates

Exhibit 4: TTB – one-year forward rolling P/BV



Sources: Bloomberg; FSSIA estimates

Exhibit 5: TTB – one-year forward rolling P/E



Sources: Bloomberg; FSSIA estimates

Exhibit 6: Peers comparison

Company name	BBG code	Rec	--- Share price --		Up side (%)	Market Cap (USD m)	EPS growth		--- PE ----		- Div Yld -		--- ROE ----		--- PBV --	
			Current (THB)	Target (THB)			22E (%)	23E (%)	22E (x)	23E (x)	22E (%)	23E (%)	22E (%)	23E (%)	22E (x)	23E (x)
Bangkok Bank	BBL TB	BUY	130.50	170.00	30	6,756	15.2	11.5	8.2	7.3	3.8	5.0	6.0	6.4	0.5	0.5
Kasikornbank	KBANK TB	BUY	140.50	192.00	37	9,028	10.6	12.9	7.9	7.0	3.2	3.6	8.5	9.0	0.7	0.6
Kiatnakin Bank	KKP TB	BUY	63.00	82.00	30	1,447	19.8	9.5	7.0	6.4	6.3	7.1	14.2	14.3	1.0	0.9
Krung Thai Bank	KTB TB	BUY	15.00	18.20	21	5,686	26.6	9.7	7.7	7.0	4.6	5.0	7.4	7.6	0.5	0.5
SCB X	SCB TB	BUY	94.00	134.00	43	8,584	9.8	6.6	8.2	7.7	5.3	6.4	8.6	8.5	0.7	0.6
Tisco Financial	TISCO TB	HOLD	88.25	94.00	7	1,916	7.8	3.5	9.7	9.3	8.8	9.3	17.4	17.4	1.6	1.6
TMBThanachart Bank	TTB TB	BUY	1.18	1.40	19	3,092	20.3	12.1	9.1	8.1	5.0	5.6	5.8	6.3	0.5	0.5
Coverage						36,509	14.8	10.0	8.1	7.4	4.6	5.3	8.4	8.6	0.7	0.6

Share prices as of 21 Jul 2022

Sources: Company data; FSSIA estimates

Financial Statements

TMBThanachart Bank

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Interest Income	72,321	64,239	64,784	71,888	74,983
Interest expense	(18,515)	(13,240)	(13,341)	(19,082)	(20,163)
Net interest income	53,805	51,000	51,442	52,806	54,820
Net fees & commission	11,348	11,248	11,643	12,574	13,832
Foreign exchange trading income	0	0	0	0	0
Securities trading income	2,404	1,662	2,200	2,220	2,242
Dividend income	0	0	0	0	0
Other income	1,426	1,281	1,409	1,587	1,746
Non interest income	15,178	14,191	15,252	16,382	17,820
Total income	68,983	65,191	66,694	69,188	72,640
Staff costs	(17,142)	(16,480)	(16,480)	(17,304)	(18,170)
Other operating costs	(15,035)	(14,739)	(14,178)	(13,528)	(14,062)
Operating costs	(32,177)	(31,219)	(30,658)	(30,833)	(32,231)
Pre provision operating profit	36,806	33,972	36,036	38,355	40,409
Provision for bad and doubtful debt	(24,831)	(21,514)	(21,068)	(21,596)	(21,897)
Other provisions	-	-	-	-	-
Operating profit	11,975	12,458	14,968	16,760	18,513
Recurring non operating income	363	346	380	418	460
Associates	363	346	380	418	460
Goodwill amortization	-	-	-	-	-
Non recurring items	0	0	0	0	0
Profit before tax	12,338	12,804	15,348	17,178	18,972
Tax	(2,223)	(2,327)	(2,781)	(3,092)	(3,429)
Profit after tax	10,115	10,477	12,567	14,086	15,543
Minority interests	(3)	(3)	(4)	(4)	(5)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	10,112	10,474	12,563	14,082	15,538
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	10,112	10,474	12,563	14,082	15,538
Per share (THB)					
Recurring EPS *	0.10	0.11	0.13	0.15	0.16
Reported EPS	0.10	0.11	0.13	0.15	0.16
DPS	0.04	0.04	0.06	0.07	0.07
Growth					
Net interest income (%)	100.3	(5.2)	0.9	2.7	3.8
Non interest income (%)	20.2	(6.5)	7.5	7.4	8.8
Pre provision operating profit (%)	95.5	(7.7)	6.1	6.4	5.4
Operating profit (%)	41.1	4.0	20.1	12.0	10.5
Reported net profit (%)	40.0	3.6	19.9	12.1	10.3
Recurring EPS (%)	(29.4)	3.3	20.3	12.1	10.3
Reported EPS (%)	(29.4)	3.3	20.3	12.1	10.3
Income Breakdown					
Net interest income (%)	78.0	78.2	77.1	76.3	75.5
Net fees & commission (%)	16.4	17.3	17.5	18.2	19.0
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	3.5	2.5	3.3	3.2	3.1
Dividend income (%)	-	-	-	-	-
Other income (%)	2.1	2.0	2.1	2.3	2.4
Operating performance					
Gross interest yield (%)	4.09	3.72	3.74	4.05	4.12
Cost of funds (%)	1.18	0.87	0.88	1.24	1.29
Net interest spread (%)	2.91	2.85	2.86	2.81	2.83
Net interest margin (%)	3.0	3.0	3.0	3.0	3.0
Cost/income(%)	46.6	47.9	46.0	44.6	44.4
Cost/assets(%)	1.8	1.8	1.7	1.7	1.7
Effective tax rate (%)	18.0	18.2	18.1	18.0	18.1
Dividend payout on recurring profit (%)	42.9	35.0	45.0	45.0	45.0
ROE (%)	5.1	5.0	5.8	6.3	6.7
ROE - COE (%)	5.1	5.0	5.8	6.3	6.7
ROA (%)	0.6	0.6	0.7	0.8	0.8
RORWA (%)	0.8	0.9	1.0	1.0	1.1

* Pre-exceptional, pre-goodwill and fully diluted

Sources: TMBThanachart Bank ; FSSIA estimates

Financial Statements

TMBThanachart Bank

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Gross customer loans	1,392,925	1,372,315	1,399,761	1,441,754	1,477,798
Total provisions	(51,967)	(54,472)	(58,743)	(63,037)	(67,200)
interest in suspense	3,879	3,783	3,919	4,037	4,138
Net customer loans	1,344,837	1,321,626	1,344,938	1,382,754	1,414,736
Bank loans	211,185	158,873	169,671	166,876	171,009
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	138,139	181,649	186,226	190,919	195,731
Cash & equivalents	21,943	16,011	13,741	14,052	14,442
Other interesting assets	-	-	-	-	-
Tangible fixed assets	30,076	30,252	29,675	29,224	28,887
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	58,510	47,183	48,072	49,163	50,292
Total assets	1,804,688	1,755,595	1,792,323	1,832,989	1,875,097
Customer deposits	1,373,408	1,339,195	1,357,430	1,384,579	1,412,270
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	168,768	158,690	162,923	166,182	169,505
Non interest bearing liabilities	61,406	50,460	51,974	53,533	55,139
Hybrid Capital	-	-	-	-	-
Total liabilities	1,603,582	1,548,345	1,572,327	1,604,293	1,636,915
Share capital	91,589	91,792	91,792	91,792	91,792
Reserves	113,124	119,043	128,203	136,903	146,390
Total equity	204,713	210,835	219,995	228,695	238,181
Minority interests	37	1	1	1	1
Total liabilities & equity	1,808,332	1,759,181	1,792,323	1,832,989	1,875,097
Supplementary items					
Risk weighted assets (RWA)	1,188,683	1,228,574	1,351,431	1,391,974	1,426,774
Average interest earning assets	1,766,631	1,724,939	1,732,809	1,776,129	1,820,533
Average interest bearing liabilities	1,569,566	1,520,031	1,509,119	1,535,557	1,566,268
Tier 1 capital	171,724	176,284	196,230	203,899	212,372
Total capital	220,769	225,331	245,277	252,946	261,419
Gross non performing loans (NPL)	39,594	42,121	46,333	51,893	56,563
Per share (THB)					
Book value per share	2.12	2.18	2.28	2.37	2.47
Tangible book value per share	2.12	2.18	2.28	2.37	2.47
Growth					
Gross customer loans	0.1	(1.5)	2.0	3.0	2.5
Average interest earning assets	32.5	(2.4)	0.5	2.5	2.5
Total asset (%)	(2.9)	(2.7)	2.1	2.3	2.3
Risk weighted assets (%)	(2.3)	3.4	10.0	3.0	2.5
Customer deposits (%)	(1.8)	(2.5)	1.4	2.0	2.0
Leverage & capital measures					
Customer loan/deposits (%)	97.9	98.7	99.1	99.9	100.2
Equity/assets (%)	11.3	12.0	12.3	12.5	12.7
Tangible equity/assets (%)	11.3	12.0	12.3	12.5	12.7
RWA/assets (%)	65.9	70.0	75.4	75.9	76.1
Tier 1 CAR (%)	14.4	14.3	14.5	14.6	14.9
Total CAR (%)	18.6	18.3	18.1	18.2	18.3
Asset Quality					
Change in NPL (%)	4.9	6.4	10.0	12.0	9.0
NPL/gross loans (%)	2.8	3.1	3.3	3.6	3.8
Total provisions/gross loans (%)	3.7	4.0	4.2	4.3	4.5
Total provisions/NPL (%)	131.2	129.3	126.8	121.5	118.8
Valuation					
Recurring P/E (x) *	11.3	10.9	9.1	8.1	7.3
Recurring P/E @ target price (x) *	13.3	12.9	10.7	9.6	8.7
Reported P/E (x)	11.3	10.9	9.1	8.1	7.3
Dividend yield (%)	3.8	3.2	5.0	5.6	6.1
Price/book (x)	0.6	0.5	0.5	0.5	0.5
Price/tangible book (x)	0.6	0.5	0.5	0.5	0.5
Price/tangible book @ target price (x)	0.7	0.6	0.6	0.6	0.6

Sources: TMBThanachart Bank ; FSSIA estimates

Corporate Governance report of Thai listed companies 2021

EXCELLENT LEVEL – Score range 90-100										
AAV	BCPG	CPALL	GCAP	K	MSC	PLANET	SAMART	SPI	THRE	TVD
ADVANC	BDMS	CPF	GFPT	KBANK	MST	PLAT	SAMTEL	SPRC	THREL	TVI
AF	BEM	CPI	GGC	KCE	MTC	PORT	SAT	SPVI	TIPCO	TVO
AH	BGC	CPN	GLAND	KKP	MVP	PPS	SC	SSSC	TISCO	TWPC
AIRA	BGRIM	CRC	GLOBAL	KSL	NCL	PR9	SCB	SST	TK	U
AKP	BIZ	CSS	GPI	KTB	NEP	PREB	SCC	STA	TKT	UAC
AKR	BKI	DDD	GPSC	KTC	NER	PRG	SCCC	STEC	TMT	UBIS
ALT	BOL	DELTA	GRAMMY	LALIN	NKI	PRM	SCG	STI	TNDT	UV
AMA	BPP	DEMCO	GULF	LANNA	NOBLE	PROUD	SCGP	SUN	TNITY	VGI
AMATA	BRR	DRT	GUNKUL	LH	NSI	DRSH	SCM	SUSCO	TOA	VIH
AMATAV	BTS	DTAC	HANA	LHFG	NVD	PSL	SDC	SUTHA	TOP	WACOAL
ANAN	BTW	DUSIT	HARN	LIT	NWR	PTG	SEAFECO	SVI	TPBI	WAVE
AOT	BWG	EA	HMPRO	LPN	NYT	PTT	SEAOIL	SYMC	TQM	WHA
AP	CENTEL	EASTW	ICC	MACO	OISHI	PTTEP	SE-ED	SYNTEC	TRC	WHAUP
ARIP	CFRESH	ECF	ICHI	MAJOR	OR	PTTGC	SELIC	TACC	TRU	WICE
ARROW	CHEWA	ECL	III	MAKRO	ORI	PYLON	SENA	TASCO	TRUE	WINNER
ASP	CHO	EE	ILINK	MALEE	OSP	Q-CON	SHR	TCAP	TSC	ZEN
AUCT	CIMBT	EGCO	ILM	MBK	OTO	QH	SIRI	TEAMG	TSR	
AWC	CK	EPG	INTUCH	MC	PAP	QTC	SIS	TFMAMA	TSTE	
AYUD	CKP	ETC	IP	MCOT	PCSGH	RATCH	SITHAI	TGH	TSTH	
BAFS	CM	FPI	IRPC	METCO	PDG	RS	SMK	THANA	TTA	
BANPU	CNT	FPT	ITEL	MFEC	PDJ	S	SMPC	THANI	TTB	
BAY	COM7	FSMART	IVL	MINT	PG	S & J	SNC	THCOM	TTCL	
BBL	COMAN	GBX	JSP	MONO	PHOL	SAAM	SONIC	THG	TTW	
BCP	COTTO	GC	JWD	MOONG	PLANB	SABINA	SPALI	THIP	TU	
VERY GOOD LEVEL – Score range 80-89										
2S	ASIMAR	CHOW	FLOYD	IT	LOXLEY	OCC	RPC	SKY	TCC	TVT
7UP	ASK	CI	FN	ITD	LRH	OGC	RT	SLP	TCMC	TWP
ABICO	ASN	CIG	FNS	J	LST	PATO	RWI	SMIT	TEAM	UEC
ABM	ATP30	CMC	FORTH	JAS	M	PB	S11	SMT	TFG	UMI
ACE	B	COLOR	FSS	JCK	MATCH	PICO	SA	SNP	TFI	UOBKH
ACG	BA	CPL	FTE	JCKH	MBAX	PIMO	SAK	SO	TIGER	UP
ADB	BAM	CPW	FVC	JMART	MEGA	PJW	SALEE	SORKON	TITLE	UPF
AEONTS	BC	CRD	GEL	JMT	META	PL	SAMCO	SPA	TKN	UPOIC
AGE	BCH	CSC	GENCO	KBS	MFC	PM	SANKO	SPC	TKS	UTP
AHC	BEC	CSP	GJS	KCAR	MGT	PMTA	SAPPE	SPCG	TM	VCOM
AIT	BEYOND	CWT	GYT	KEX	MICRO	PPP	SAWAD	SR	TMC	VL
ALL	BFIT	DCC	HEMP	KGI	MILL	PPPM	SCI	SRICHA	TMD	VPO
ALLA	BJC	DCON	HPT	KIAT	MITSIB	PRIME	SCN	SSC	TMI	VRANDA
ALUCON	BJCHI	DHOUSE	HTC	KISS	MK	PRIN	SCP	SSF	TMILL	WGE
AMANAH	BLA	DOD	HYDRO	KOOL	MODERN	PRINC	SE	STANLY	TNL	WIK
AMARIN	BR	DOHOME	ICN	KTIS	MTI	PSG	SFLEX	STGT	TNP	WP
APCO	BROOK	DV8	IFS	KUMWEL	NBC	PSTC	SFP	STOWER	TOG	XO
APCS	CBG	EASON	IMH	KUN	NCAP	PT	SFT	STPI	TPA	XPG
APURE	CEN	EFORL	IND	KWC	NCH	QLT	SGF	SUC	TPAC	YUASA
AQUA	CGH	ERW	INET	KWM	NETBAY	RBF	SIAM	SWC	TPCS	
ASAP	CHARAN	ESSO	INSET	L&E	NEX	RCL	SINGER	SYNEX	TPS	
ASEFA	CHAYO	ESTAR	INSURE	LDC	NINE	RICHY	SKE	TAE	TRITN	
ASIA	CHG	ETE	IRC	LEO	NRF	RML	SKN	TAKUNI	TRT	
ASIAN	CHOTI	FE	IRCP	LHK	NTV	ROJNA	SKR	TBSP	TSE	
GOOD LEVEL – Score range 70-79										
A	BGT	CITY	GIFT	JTS	MDX	PK	SGP	SUPER	TQR	YGG
AI	BH	CMAN	GLOCON	JUBILE	MJD	PLE	SICT	SVOA	TTI	ZIGA
AIE	BIG	CMO	GREEN	KASET	MORE	PPM	SIMAT	TC	TYCN	
AJ	BLAND	CMR	GSC	KCM	MUD	PRAKIT	SISB	TCCC	UKEM	
ALPHAX	BM	CPT	GTB	KK	NC	PRAPAT	SK	THMUI	UMS	
AMC	BROCK	CRANE	HTECH	KKC	NDR	PRECHA	SMART	TNH	UNIQ	
APP	BSBM	CSR	HUMAN	KWI	NFC	PTL	SOLAR	TNR	UPA	
AQ	BSM	D	IHL	KYE	NNCL	RJH	SPACK	TOPP	UREKA	
ARIN	BTNC	EKH	IIG	LEE	NOVA	RP	SPG	TPCH	VIBHA	
AS	BYD	EMC	INGRS	LPH	NPK	RPH	SQ	TPIPL	W	
AU	CAZ	EP	INOX	MATI	NUSA	RSP	SSP	TIPIP	WIN	
B52	CCP	F&D	JAK	M-CHAI	PAF	SABUY	STARK	TPLAS	WORK	
BEAUTY	CGD	FMT	JR	MCS	PF	SF	STC	TPOLY	WPH	

Disclaimer:

The disclosure of the survey results of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive

Sources: Thai Institute of Directors Association (IOD); FSSIA's compilation; data as of 26 October 2021

Anti-corruption Progress Indicator

CERTIFIED										
2S	BCH	CPALL	GC	K	MFC	PE	QLT	SNP	THCOM	TU
7UP	BCP	CPF	GCAP	KASET	MFEC	PG	QTC	SORKON	THIP	TVD
ADVANC	BCPG	CPI	GEL	KBANK	MILL	PHOL	RATCH	SPACK	THRE	TVI
AF	BE8	CPN	GFPT	KBS	MINT	PK	RML	SPALI	THREL	TVO
AI	BEYOND	CSC	GGC	KCAR	MONO	PL	RWI	SPC	TIDLOR	TWPC
AIE	BGC	DCC	GJS	KCE	MOONG	PLANB	S & J	SPI	TIPCO	U
AIRA	BGRIM	DELTA	GPI	KGI	MSC	PLANET	SAAM	SPRC	TISCO	UBE
AKP	BJCHI	DEMCO	GPSC	KKP	MST	PLAT	SABINA	SRICHA	TKS	UBIS
ALPHAX	BKI	DIMET	GSTEEL	KSL	MTC	PM	SAPPE	SSF	TKT	UEC
AMA	BLA	DRT	GUNKUL	KTB	MTI	PPP	SAT	SSP	TMD	UKEM
AMANAHA	BPP	DTAC	HANA	KTC	NBC	PPPM	SC	SSSC	TMILL	UOBKH
AMATA	BROOK	DUSIT	HARN	KWC	NEP	PPS	SCB	SST	TMT	UPF
AMATAV	BRR	EA	HEMP	KWI	NINE	PR9	SCC	STA	TNITY	UV
AP	BSBM	EASTW	HENG	L&E	NKI	PREB	SCCC	STOWER	TNL	VGI
APCS	BTS	ECL	HMPRO	LANNA	NMG	PRG	SCG	SUSCO	TNP	VIH
AQUA	BWG	EGCO	HTC	LH	NNCL	PRINC	SCN	SVI	TNR	WACOAL
ARROW	CEN	EP	ICC	LHFG	NOBLE	PRM	SEAOIL	SYMC	TOG	WHA
AS	CENTEL	EPG	ICHI	LHK	NOK	PROS	SE-ED	SYNTEC	TOP	WHAUP
ASIAN	CFRESH	ERW	IFEC	LPN	NSI	PSH	SELIC	TAE	TOPP	WICE
ASK	CGH	ESTAR	IFS	LRH	NWR	PSL	SENA	TAKUNI	TPA	WIJK
ASP	CHEWA	ETE	ILINK	M	OCC	PSTC	SGP	TASCO	TPP	XO
AWC	CHOTI	FE	INET	MAKRO	OGC	PT	SINGER	TBSP	TRU	ZEN
AYUD	CHOW	FNS	INSURE	MALEE	ORI	PTG	SIRI	TCAP	TRUE	
B	CIG	FPI	INTUCH	MATCH	PAP	PTT	SITHAI	TCMC	TSC	
BAFS	CIMBT	FPT	IRC	MBAX	PATO	PTTEP	SKR	TFG	TSTE	
BAM	CM	FSMART	IRPC	MBK	PB	PTTGC	SMIT	TFI	TSTH	
BANPU	CMC	FSS	ITEL	MC	PCSGH	PYLON	SMK	TFMAMA	TTA	
BAY	COM7	FTE	IVL	MCOT	PDG	Q-CON	SMPC	TGH	TTB	
BBL	COTTO	GBX	JKN	META	PDJ	QH	SNC	THANI	TTCL	
DECLARED										
AJ	CHG	DDD	ETC	JR	MAJOR	NUSA	RS	SSS	TQM	YUASA
ALT	CPL	DHOUSE	FLOYD	JTS	NCAP	NYT	SAK	STECH	TSI	ZIGA
APCO	CPR	DOHOME	GULF	KEX	NCL	OR	SCGP	STGT	VARO	
B52	CPW	ECF	III	KUMWEL	NOVA	PIMO	SCM	TKN	VCOM	
BEC	CRC	EKH	INOX	LDC	NRF	PLE	SIS	TMI	VIBHA	

Level	
Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

Disclaimer:

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of 26 October 2021) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Sources: The Securities and Exchange Commission, Thailand; * FSSIA's compilation

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Company	Ticker	Price	Rating	Valuation & Risks
TMBThanachart Bank	TTB TB	THB 1.18	BUY	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand.
Bangkok Bank	BBL TB	THB 130.50	BUY	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand.
Kasikornbank	KBANK TB	THB 140.50	BUY	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand.
Kiatnakin Bank	KKP TB	THB 63.00	BUY	Downside risks to our GGM-based target price include weakening asset quality and lower fee income.
Krung Thai Bank	KTB TB	THB 15.00	BUY	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand.
SCB X	SCB TB	THB 94.00	BUY	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand.
Tisco Financial	TISCO TB	THB 88.25	HOLD	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand. An upside risk to our GGM-based TP would be lower-than-expected policy rate hikes.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited

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All share prices are as at market close on 21-Jul-2022 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.